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# PRINCIPLES OF SOUND EMPLOYERS' LIABILITY LEGISLATION

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BY F. C. SCHWEDTMAN,

Chairman Committee on Employers' Liability, National Association of  
Manufacturers.

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As the head of a committee of the National Association of Manufacturers, I made an inquiry among twenty-five thousand American manufacturers a little more than a year ago. It indicated that more than ninety-five per cent of those answering were in favor of an equitable, automatic compensation system for injured workers and their dependents. Employers as a class are as anxious to change the present cruel, inefficient and inequitable system into a better one as any other class of progressive men. Enlightened employers, large and small, are doing splendid work in voluntarily establishing relief systems providing prompt medical and financial aid. Several hundreds of thousands of workmen are receiving the benefits of voluntary action on the part of employers and future progress will be more rapid than that of the past.

Thousands of interviews and letters convince me that many employers would welcome compulsory legislation on this subject, if only somebody could tell them how it is to be accomplished in a manner which is constitutional as well as just to all concerned. Such systems as those outlined by the representative of the United States Steel Company and other large concerns will not work with the same degree of satisfaction in small establishments.

Much credit is due every employer who has voluntarily attempted to solve this great question, but let us not judge harshly those employers who have not been able so far to see their way to acting voluntarily. Many small employers have neither the means nor the ability to inaugurate systems of their own, nor could they afford to work under such systems as outlined by the representatives of large and wealthy concerns.

To cover the just requirements of all employers, as well as of all workers, fundamental principles need to be laid down, upon which legislative action should be based and the following principles

cover the views of the majority of the members of the National Association of Manufacturers, and I hope will be officially adopted at the next annual convention.

While endeavoring to establish compulsory compensation legislation, the progressive employers of the country will continue to introduce voluntarily equitable relief and accident prevention systems for their injured workers.

The fundamental principles of sound legislation on this subject as I see them are as follows:

First.—All legislation must be for compensation. Every kind of employers' liability legislation has proven a failure in every civilized nation.

Second.—Compensation legislation must cover every wage worker. The man who, without his own fault, loses his hand in a farm machine is as much entitled to compensation as the engineer who loses his hand in an engine gear.

Third.—Compensation must be assured. It must be certain as the interest on United States bonds. This can only be accomplished through insurance, approved and preferably guaranteed by the state or national government. However, every safe method of such approved insurance should be permitted and none barred. State, mutual and stock insurance, as well as relief systems covering individual shops, must be permitted and encouraged under the law.

Fourth.—Compensation must be efficient. Not less than seventy-five cents, and preferably ninety cents, out of every dollar paid into the insurance fund, should be paid to injured workers or their dependents. To this end, litigation and solicitation expenses must be reduced to a minimum, and arbitration courts, or a simplified court procedure required for settlement of disputes.

Fifth.—Employers and employees are jointly responsible for all unpreventable accidents and should therefore jointly meet the compensation expenditures, the employer covering that part which is due to his fault and to the inherent hazard of the industry; the employee covering that part which arises from his fault.

Sixth.—Every injury except those due to criminal carelessness or drunkenness on the part of the worker should be compensated.

Seventh.—Humanity and efficiency demand that prevention of accidents is made of prime importance. Therefore, an efficient official inspection and statistical system which increases or decreases

insurance rates in proportion to the accident prevention activities of each individual establishment is essential.

Eighth.—Since the progressive individual usually provides voluntarily for reasonable accident compensation, it is right that the reactionary or selfish individual be compelled to do likewise, through universal compulsory insurance.

Ninth.—To prevent unfair competition between employers in different localities, it is necessary that compensation laws of the various states be reasonably uniform.